

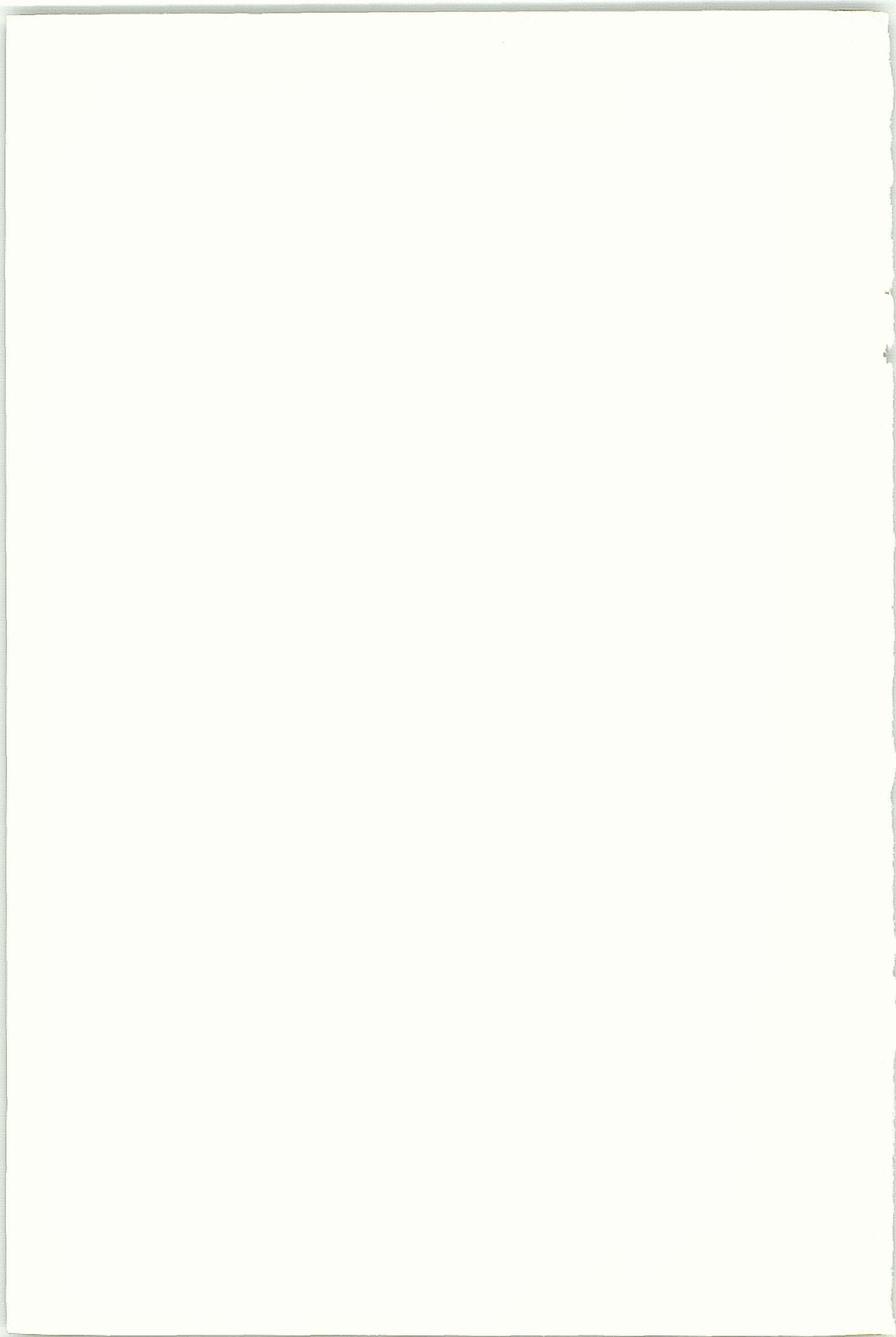
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# *The Coca-Cola Company*

WILMINGTON, DELAWARE

1964

ANNUAL REPORT



*Representative Products  
of The Coca-Cola Company...*

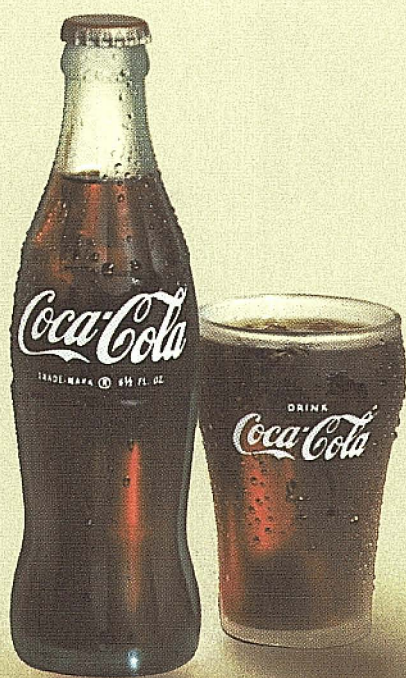


# Refreshing





*the World...*



things go  
better  
with  
Coke

TRADE MARK ®



THE COCA-COLA COMPANY  
AND SUBSIDIARIES

# ANNUAL REPORT

*FOR THE YEAR* 1964



## BOARD OF DIRECTORS

**A. A. Acklin, Atlanta, Ga.**

*Retired. Former President, The Coca-Cola Company*

**J. Paul Austin, Atlanta, Ga.**

*President, The Coca-Cola Company*

**C. H. Candler, Jr., Atlanta, Ga.**

*President, Asa G. Candler, Inc.*

**William A. Coolidge, Cambridge, Mass.**

*Director of Various Corporations*

**Charles W. Duncan, Jr., Houston, Tex.**

*President, Duncan Foods Co.,  
a Division of The Coca-Cola Company*

**James A. Farley, New York, N. Y.**

*Chairman, Board of Directors, The Coca-Cola Export Corporation*

**R. W. Freeman, New Orleans, La.**

*President, The Louisiana Coca-Cola Bottling Company, Ltd.*

**Bernard F. Gimbel, New York, N. Y.**

*Chairman, Board of Directors, Gimbel Brothers, Inc.*

**Lindsey Hopkins, Miami, Fla.**

*Chairman, Board of Directors, Security Trust Company*

**Harrison Jones, Atlanta, Ga.**

*Retired. Former Chairman,  
Board of Directors, The Coca-Cola Company*

**John T. Lupton, Chattanooga, Tenn.**

*President, Dallas Coca-Cola Bottling Works  
and Houston Coca-Cola Bottling Company*

**B. H. Oehlert, Jr., Orlando, Fla.**

*President, Minute Maid Company,  
a Division of The Coca-Cola Company,  
and Vice President, The Coca-Cola Company*

**William E. Robinson, Greenwich, Conn.**

*Retired. Former President and Chairman,  
Board of Directors, The Coca-Cola Company*

**John A. Sibley, Atlanta, Ga.**

*Honorary Chairman, Board of Directors,  
Trust Company of Georgia*

**Hughes Spalding, Atlanta, Ga.**

*Attorney, member of firm of King & Spalding*

**Lee Talley, Atlanta, Ga.**

*Chairman, Board of Directors, The Coca-Cola Company*

**D. A. Turner, Columbus, Ga.**

*Chairman, Boards of Directors, Columbus Bank &  
Trust Co. and W. C. Bradley Co.*

**George W. Woodruff, Atlanta, Ga.**

*Director of Various Corporations*

**R. W. Woodruff, Atlanta, Ga.**

*Chairman, Finance Committee, The Coca-Cola Company*



# THE COCA-COLA COMPANY

## OFFICERS

Lee Talley . . . . .	<i>Chairman, Board of Directors</i>
J. Paul Austin . . . . .	<i>President</i>
Edgar J. Forio . . . . .	<i>Senior Vice President</i>
Edward Aborn . . . . .	<i>Vice President</i>
Charles W. Adams . . . . .	<i>Vice President</i>
Ralph J. Barry . . . . .	<i>Vice President</i>
Hunter S. Bell . . . . .	<i>Vice President</i>
C. E. Boyd, Jr. . . . .	<i>Vice President</i>
George A. Callard . . . . .	<i>Vice President</i>
Ovid R. Davis . . . . .	<i>Vice President</i>
Fred W. Dickson . . . . .	<i>Vice President</i>
Samuel N. Gardner . . . . .	<i>Vice President</i>
Ralph H. Garrard . . . . .	<i>Vice President</i>
C. W. Hodgson . . . . .	<i>Vice President</i>
M. S. Hodgson, Jr. . . . .	<i>Vice President</i>
Thomas C. Law, Jr. . . . .	<i>Vice President</i>
George M. Lawson . . . . .	<i>Vice President</i>
D. A. Leslie . . . . .	<i>Vice President</i>
O. E. May . . . . .	<i>Vice President</i>
B. H. Oehlert, Jr. . . . .	<i>Vice President</i>
C. A. Shillinglaw . . . . .	<i>Vice President</i>
J. Lucian Smith . . . . .	<i>Vice President</i>
John C. Staton . . . . .	<i>Vice President</i>
Walter L. Susong . . . . .	<i>Vice President</i>
John D. Goodloe . . . . .	<i>General Counsel</i>
W. A. Boykin, Jr. . . . .	<i>Treasurer</i>
J. W. Jones . . . . .	<i>Secretary</i>
Fillmore B. Eisenberg . . . . .	<i>Controller</i>

# LETTER TO STOCKHOLDERS

March 1, 1965

In 1964, higher records in sales and earnings were again established in our domestic and foreign business. Consolidated net profit—after reserves, taxes, and all other charges—was \$65,344,086, or \$4.61 per share. This compares with \$54,156,898, or \$3.83 per share in 1963.

All segments of our operation contributed to this result. Sales of Coca-Cola, both at home and abroad, show a gratifying increase over the preceding year. The year has also seen continued expansion in the sales of our new products—Fanta, Sprite, and Tab. Notable progress was also made by our Minute Maid and Tenco Divisions.

During the year, the acquisition by merger of Duncan Foods Co. of Houston, Texas, has been carried out smoothly, and we have been pleased to welcome the many fine people in the Duncan Foods Co. organization into our Coca-Cola family.

At a special meeting of stockholders held on January 18, 1965, at which more than 91% of the outstanding stock of the Company was represented, the stockholders approved a two-for-one split of the Company's stock. The new stock was issued on February 18, 1965, and admitted to trading on the New York Stock Exchange on February 19, 1965.

At its first quarterly meeting in March of this year, the Board of Directors placed the new stock on a quarterly dividend basis of  $42\frac{1}{2}\%$ . On an annual basis, this is equivalent to \$1.70 on the new stock; and on the basis of the old stock prior to the split, the dividend is equivalent to \$3.40, as compared to \$3.00 a share paid in 1964.

The consolidated balance sheet and statements of profit and loss and of earned surplus will be found in this report. A separate mailing will contain proxy forms and notice of the annual meeting of stockholders at 11:00 a.m., Eastern Daylight Time, on Monday, May 3, 1965, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

*For the Board of Directors*



*Chairman*



*President*

# THE COCA-COLA COMPANY AND SUBSIDIARIES

YEARS ENDED DECEMBER 31, 1964 AND 1963

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	1964	1963
Net sales . . . . .	\$833,566,733	\$728,607,133
Cost of goods sold . . . . .	449,344,492	395,234,330
GROSS PROFIT . . . . .	\$384,222,241	\$333,372,803
Selling, administrative and general expenses . . . . .	237,139,488	210,176,313
OPERATING PROFIT . . . . .	\$147,082,753	\$123,196,490
Other income . . . . .	6,824,541	5,617,181
	\$153,907,294	\$128,813,671
Less other deductions . . . . .	12,317,208	9,744,310
PROFIT BEFORE TAXES ON INCOME . . . . .	\$141,590,086	\$119,069,361
Provision for taxes on income . . . . .	76,246,000	64,912,463
NET PROFIT . . . . .	\$ 65,344,086	\$ 54,156,898

## CONSOLIDATED STATEMENT OF EARNED SURPLUS

	1964	1963
Balance at beginning of period (1963 amount includes \$2,030,125 balance of Duncan Foods Co. at July 1, 1962) . . . . .	\$251,179,457	\$234,493,773
Net profit for the year . . . . .	65,344,086	54,156,898
Net profit for period of six months ended December 31, 1963 — Duncan Foods Co. . . . .	906,476	—
	\$317,430,019	\$288,650,671
Dividends paid in cash — all by The Coca-Cola Company (per share — \$3.00 for 1964; \$2.70 for 1963) . . . . .	42,376,816	37,471,214
BALANCE AT END OF PERIOD . . . . .	\$275,053,203	\$251,179,457

See Notes to Financial Statements



# CONSOLIDATED

## THE COCA-COLA COMPANY AND SUBSIDIARIES

### ASSETS

CURRENT:	1964	1963
Cash . . . . .	\$ 46,080,446	\$ 48,308,694
U. S. Government and other marketable securities — at cost (market price — 1964, \$61,531,282; 1963, \$44,975,161) . . . . .	61,133,476	44,811,683
Trade accounts receivable (less allowance — 1964, \$1,042,972; 1963, \$1,080,766) . . . . .	53,722,918	44,498,903
Inventories . . . . .	114,960,296	113,616,317
Prepaid expenses . . . . .	<u>8,069,961</u>	<u>7,797,553</u>
TOTAL CURRENT ASSETS . . . . .	<u>\$283,967,097</u>	<u>\$259,033,150</u>
MISCELLANEOUS INVESTMENTS AND OTHER ASSETS . . . . .	<u>\$ 21,265,990</u>	<u>\$ 20,674,873</u>
PROPERTY, PLANT AND EQUIPMENT:		
At cost:		
Land and improvements . . . . .	\$ 32,445,731	\$ 30,362,988
Buildings . . . . .	85,453,327	78,059,192
Machinery and equipment . . . . .	165,132,224	150,933,804
Containers . . . . .	<u>21,465,594</u>	<u>18,100,413</u>
	\$304,496,876	\$277,456,397
Less allowance for depreciation . . . . .	<u>120,486,831</u>	<u>109,115,673</u>
	<u>\$184,010,045</u>	<u>\$168,340,724</u>
FORMULAE, TRADE-MARKS AND GOODWILL— at cost . . . . .	<u>\$ 45,208,117</u>	<u>\$ 43,868,159</u>
	<u>\$534,451,249</u>	<u>\$491,916,906</u>

*See Notes to*

# BALANCE SHEET

DIARIES—DECEMBER 31, 1964 AND 1963

## LIABILITIES

CURRENT:	1964	1963
Notes payable . . . . .	\$ 15,414,734	\$ 12,398,145
Current maturities of long-term debt . . . . .	1,740,191	2,735,857
Accounts payable and accrued accounts . . . . .	<u>61,985,007</u>	<u>55,210,757</u>
	<u>\$ 79,139,932</u>	<u>\$ 70,344,759</u>
Accrued taxes — including taxes on income . . . . .	\$ 60,457,423	\$ 53,938,008
Less U. S. Government securities		
for payment of income taxes . . . . .	<u>24,935,699</u>	<u>23,830,321</u>
	<u>\$ 35,521,724</u>	<u>\$ 30,107,687</u>
TOTAL CURRENT LIABILITIES . . . . .	<u>\$114,661,656</u>	<u>\$100,452,446</u>
LONG-TERM DEBT . . . . .	<u>\$ 7,341,652</u>	<u>\$ 11,551,800</u>
RESERVE FOR UNREMITTED		
FOREIGN PROFITS . . . . .	<u>\$ 73,366,928</u>	<u>\$ 66,445,638</u>
CAPITAL STOCK AND SURPLUS:		
Common stock — no par value; authorized		
15,000,000 shares; (issued 1964,		
14,258,403 shares; 1963, 14,213,515 shares) . . . . .	\$ 57,375,610	\$ 57,234,172
Capital surplus . . . . .	11,850,151	10,129,215
Earned surplus . . . . .	<u>275,053,203</u>	<u>251,179,457</u>
	<u>\$344,278,964</u>	<u>\$318,542,844</u>
Less shares of stock held in treasury —		
at cost (56,045 shares for 1964;		
57,325 shares for 1963) . . . . .	<u>5,197,951</u>	<u>5,075,822</u>
	<u>\$339,081,013</u>	<u>\$313,467,022</u>
	<u>\$534,451,249</u>	<u>\$491,916,906</u>

## NOTES TO 1964 FINANCIAL STATEMENTS

**1. Merger.** As approved by the stockholders of the two companies, The Coca-Cola Company and Duncan Foods Co. were merged as of the close of business on May 8, 1964, and The Coca-Cola Company became the surviving corporation. The merger was effected by the issuance of 259,770 shares of common stock of The Coca-Cola Company (less fractional shares for which cash will be paid) in exchange for the entire outstanding stock of Duncan Foods Co. on the basis of 1 share of stock of The Coca-Cola Company for 5.5 shares of Duncan Foods Co. The merger has been treated in the accompanying financial statements in accordance with the pooling of interests accounting principle; accordingly, the accompanying financial statements for both 1963 and 1964 represent a combination of the consolidated statements of both companies. For 1963 the Duncan Foods Co. statements are for its fiscal year ended June 30, 1963.

**2. Foreign Operations.** The consolidated balance sheet includes the following amounts with respect to subsidiaries and branches operating in foreign countries: Current assets, \$86,008,470 (including cash and securities totaling \$46,586,322); property, plant and equipment at depreciated cost, \$67,257,557; other assets, \$8,227,497; and liabilities, \$56,092,085. Property accounts have been converted at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1964.

It is the established policy of the Company to include in consolidated net profit the entire net profit of the Canadian subsidiaries, but to include the net profit of other foreign subsidiaries only to the extent such profits have been remitted to the Company. Accordingly, the other deductions account includes a provision for unremitted foreign profits in the amount of \$6,921,290, representing foreign profits earned but not remitted in 1964.

**3. Inventories** are stated at the lower of cost (principally average or first-in, first-out method) or market except that inventories of certain major citrus concentrate products are stated at the lower of cost (last-in, first-out method) or market.

**4. Long-Term Debt** (exclusive of current maturities).

Mortgages, principally on grove properties at 5-1/2%, payable in installments through 1982 .....	\$2,841,652
Sinking Fund Debentures 5-7/8%, payable in installments through January 1974 .....	2,500,000
Subordinated Debentures 5-5/8%, payable in installments through January 1976 .....	2,000,000
	<u>\$7,341,652</u>

**5. Capital Stock.** On January 22, 1965, the authorized common stock was increased to 35,000,000 shares, and one additional share of common stock has been issued to stockholders for each share held on that date. The issuance of these additional shares will have no effect on the amount assigned to the capital stock account.

Options are held by officers and employees of the Company and its subsidiaries to purchase shares of the Company's common stock at prices ranging principally from \$39.3958 to \$101.09 per share. Further information relating to the outstanding options is as follows: Options outstanding at January 1, 1964, 177,858 shares; options granted during the year, (all as a result of the merger) 8,674 shares; options exercised during the year, 48,866 shares; options cancelled during the year through death, retirement or resignation, 1,638 shares; options outstanding at December 31, 1964, 136,028 shares; options exercisable at December 31, 1964, 43,154 shares. The foregoing information concerning stock options is as of December 31, 1964, prior to the stock split; appropriate adjustments have since been made to increase the number of shares under option and to decrease the option prices to give effect to the two-for-one stock split.

**6. Depreciation.** Provision for depreciation in the amount of \$18,512,946 was charged to manufacturing and other expenses.



## ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS  
THE COCA-COLA COMPANY  
WILMINGTON, DELAWARE

We have examined the consolidated financial statements of The Coca-Cola Company and subsidiaries as of December 31, 1964. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1964, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Ernst & Ernst*

*Atlanta, Georgia  
February 26, 1965*

# DIVISIONS AND PRIN

## MINUTE MAID COMPANY, Orlando, Florida

B. H. Oehlert, Jr. . . . .	<i>President</i>
Walter A. Bonvie . . . . .	<i>Vice President</i>
John H. Child . . . . .	<i>Vice President</i>
Horace D. Clark . . . . .	<i>Vice President</i>
Henry Cragg . . . . .	<i>Vice President</i>
Robert Fey . . . . .	<i>Vice President</i>
Paul R. Grey . . . . .	<i>Vice President</i>
R. E. Hinton . . . . .	<i>Vice President</i>
Joseph Hudson, Jr. . . . .	<i>Vice President</i>
B. M. Middlebrooks . . . . .	<i>Vice President</i>
A. G. Munkelt . . . . .	<i>Vice President</i>
John P. Roberts . . . . .	<i>Vice President</i>
W. R. Roy . . . . .	<i>Vice President</i>
Brewster Rundlett . . . . .	<i>Vice President</i>
H. W. Schwarz . . . . .	<i>Vice President</i>
W. E. Speeler . . . . .	<i>Vice President, Secretary and General Counsel</i>
John St. John . . . . .	<i>Vice President</i>
A. J. Thurman . . . . .	<i>Vice President</i>
John E. Nuckolls . . . . .	<i>Treasurer</i>
George Borysewich . . . . .	<i>Controller</i>

## TENCO, Linden, New Jersey

Edward Aborn . . . . .	<i>President</i>
Dudley A. Tremble . . . . .	<i>Executive Vice President</i>
Edward T. Down . . . . .	<i>Vice President</i>
Albert P. Morrow . . . . .	<i>Vice President</i>
George W. Peabody . . . . .	<i>Vice President and Secretary</i>
Frank W. Bachmann . . . . .	<i>Treasurer and Controller</i>

## FANTA BEVERAGE COMPANY, Atlanta, Georgia

Thomas C. Law, Jr. . . . .	<i>President</i>
W. A. Boykin, Jr. . . . .	<i>Vice President</i>
Carl M. Jernigan . . . . .	<i>Vice President</i>
Walter L. Susong . . . . .	<i>Vice President and Secretary</i>

## DUNCAN FOODS CO., Houston, Texas

Charles W. Duncan, Jr. . . . .	<i>President</i>	James L. Parker . . . . .	<i>Vice President</i>
Thomas C. Cleveland . . . . .	<i>Vice President</i>	William H. Petersen . . . . .	<i>Vice President</i>
J. H. Dahlberg . . . . .	<i>Vice President</i>	Almond Power . . . . .	<i>Vice President</i>
Donald R. Keough . . . . .	<i>Vice President</i>	Pierre N. Roberts, Jr. . . . .	<i>Vice President</i>
Theril L. Lund . . . . .	<i>Vice President</i>	Roland G. Parker . . . . .	<i>Treasurer</i>
L. W. McBride . . . . .	<i>Vice President</i>	Samuel H. Peak . . . . .	<i>Vice President and Secretary</i>

# CIPAL SUBSIDIARIES

## THE COCA-COLA EXPORT CORPORATION, New York, N.Y.

James A. Farley, New York, N. Y. . . . .	<i>Chairman, Board of Directors</i>
John R. Talley, New York, N. Y. . . . .	<i>President</i>
Max Keith, Essen, Germany . . . . .	<i>Senior Vice President</i>
H. F. MacMillan, New York, N. Y. . . . .	<i>Senior Vice President, Secretary and General Counsel</i>
H. B. Nicholson, Jr., Brussels, Belgium . . . . .	<i>Senior Vice President</i>
R. M. Thomas, Nassau, Bahamas . . . . .	<i>Senior Vice President</i>
R. C. Munsche, New York, N. Y. . . . .	<i>Vice President and Treasurer</i>
J. R. Carpenter, Rio de Janeiro, Brazil . . . . .	<i>Vice President</i>
M. H. Farnsworth, Buenos Aires, Argentina . . . . .	<i>Vice President</i>
K. B. Graf, Brussels, Belgium . . . . .	<i>Vice President</i>
I. Graul, Rome, Italy . . . . .	<i>Vice President</i>
R. L. Gunnels, New York, N. Y. . . . .	<i>Vice President</i>
C. M. Halle, Essen, Germany . . . . .	<i>Vice President</i>
V. G. Hoppers, Beirut, Lebanon . . . . .	<i>Vice President</i>
Oel Johnson, New York, N. Y. . . . .	<i>Vice President</i>
A. E. Killeen, Johannesburg, South Africa . . . . .	<i>Vice President</i>
A. Makinsky, Paris, France . . . . .	<i>Vice President</i>
J. W. Rintelen, New York, N. Y. . . . .	<i>Vice President</i>
W. H. Roberts, Tokyo, Japan . . . . .	<i>Vice President</i>
J. B. Sherwood, Coral Gables, Florida . . . . .	<i>Vice President</i>
D. G. Sisler, Lima, Peru . . . . .	<i>Vice President</i>
J. H. Smit, New York, N. Y. . . . .	<i>Vice President</i>
W. O. Solms, Mexico City, Mexico . . . . .	<i>Vice President</i>
C. P. Stephens, New York, N. Y. . . . .	<i>Vice President</i>
H. F. Wilds, Jr., Sydney, Australia . . . . .	<i>Vice President</i>
A. S. Williams, London, England . . . . .	<i>Vice President</i>
J. J. McGourty, New York, N. Y. . . . .	<i>Controller</i>

## COCA-COLA LTD. (CANADA), Toronto, Ontario

J. Paul Austin . . . . .	<i>Chairman, Board of Directors</i>
R. E. Sewell . . . . .	<i>President</i>
E. W. Grant . . . . .	<i>Senior Vice President</i>
L. M. Hunter . . . . .	<i>Senior Vice President</i>
G. J. Leonidas . . . . .	<i>Senior Vice President</i>
F. G. Allen . . . . .	<i>Vice President</i>
A. B. Ballentine . . . . .	<i>Vice President and Secretary</i>
E. T. Griffith . . . . .	<i>Vice President</i>
C. W. I. Jackson . . . . .	<i>Vice President and Treasurer</i>
G. Pelletier . . . . .	<i>Vice President</i>
W. F. Sherer . . . . .	<i>Vice President</i>





## TRANSFER AGENTS

Wilmington Trust Company  
*Wilmington, Delaware*

Morgan Guaranty Trust Company of New York  
*New York, New York*

Trust Company of Georgia  
*Atlanta, Georgia*

## REGISTRARS

Bank of Delaware  
*Wilmington, Delaware*

The Chase Manhattan Bank  
*New York, New York*

The First National Bank of Atlanta  
*Atlanta, Georgia*

